

AMERICAN FACTORS, LIMITED

Capital Stock \$5,000,000.

Shares 50,000: Par Value \$100 each

Board of Directors

(TO BE ANNOUNCED LATER)

Passed by the Capital Issues Committee as not incompatible with the National interest, but without approval of legality, validity, worth or security.

Executive Staff

(TO BE ANNOUNCED LATER)

IN ACCORDANCE with the reorganization plan proposed by the Alien Property Custodian and adopted by the Stockholders of H. Hackfeld & Company, Limited, a corporation has been organized under the laws of the Territory of Hawaii known as the

American Factors, Limited

having a capital stock of five million dollars (\$5,000,000), fully paid, divided into 50,000 shares of the par value of \$100 each, for the purpose of taking over the entire business and property of H. Hackfeld & Company, Limited, including rights, contracts, agencies, franchises, credits, accounts and other interests of every kind, subject to outstanding obligations.

All of the 50,000 shares will be transferred to seven trustees, namely: George Sherman, R. A. Cooke, F. C. Atherton, C. R. Hemenway, Richard H. Trent, A. W. T. Bottomley and G. P. Wilcox, all of Honolulu, under a trust agreement to continue during the present war with Germany and thereafter for a period of three additional years, under which agreement stock trust certificates will be issued by the Trustees in lieu of the 50,000 shares of stock, which trust certificates will entitle the holders to all of the benefits of stockholders, except the privilege of voting, which will be exercised by the Trustees, and except that sales or pledges may be made only with the approval of the Trustees. Holders of trust certificates will receive payments equal to the dividends, if any, collected by the Trustees upon a like number of shares.

The form of the trust certificate will be as follows:

AMERICAN FACTORS, LIMITED. STOCK TRUST CERTIFICATE.

No. Shares

This is to certify that on the expiration of three (3) years after the date of termination of the present war between the United States and Germany, the holder of this certificate will be entitled, upon the surrender hereof, to receive a certificate or certificates for paid up shares of the capital stock of the American Factors, Limited, of the par value of one hundred dollars (\$100) each; and, until then, from time to time to receive payments equal to the dividends, if any, collected by the undersigned Trustees herein named or their successors, upon a like number of shares standing in the names of the Trustees.

This certificate is issued under and subject to all of the terms, conditions and limitations expressed in a certain trust agreement made between H. Hackfeld & Company, Limited, and George Sherman, R. A. Cooke, F. C. Atherton, C. R. Hemenway, Richard H. Trent, A. W. T. Bottomley and G. P. Wilcox, as Trustees, dated 1918; and each successive holder of this certificate, by acceptance hereof, hereby expressly assents to and agrees to be bound by all of the provisions of said trust agreement as though herein fully set forth and signed by each such holder hereof.

No assignment or transfer of this certificate, or any interest herein or in the shares represented, shall be valid or effective for any purposes unless and until such transfer shall be approved by the Trustees and the transfer thereof actually made upon the books of the Trustees upon the presentation and surrender of this certificate, and as required by the Trustees; and until so transferred the Trustees shall treat the record holder as the owner thereof for all purposes; PROVIDED, HOWEVER, that during the continuance of said trust agreement the same shall not in any manner be sold, assigned, transferred to or held by any person or persons, in pledge or otherwise, except in accordance with the terms of said trust agreement. Every other attempted transfer shall be null and void.

This certificate will not be valid unless signed on behalf of said Trustees by the Trent Trust Company, Limited, as their Agent and Registrar.

IN WITNESS WHEREOF, the Trustees have caused this certificate to be issued and signed by their said Agent and Registrar this day of 1918.

GEORGE SHERMAN
R. A. COOKE
F. C. ATHERTON
C. R. HEMENWAY
RICHARD H. TRENT
A. W. T. BOTTOMLEY
G. P. WILCOX
By TRENT TRUST COMPANY, LIMITED,
Their Agent hereunder;

Upon the termination of the trust agreement the trust certificates will be exchanged for shares of stock of American Factors, Limited.

Legal Opinion

All legal matters pertaining to the entire reorganization plan and issue of the stock and trust certificates of American Factors, Limited, have been approved by Messrs. Smith, Warren & Whitney, and Robertson & Olson. Copies of their opinions and also of the trust agreement may be seen at the office of Trent Trust Company, Limited.

Agency Business

The American Factors, Limited, will conduct a general agency business, representing plantations, fertilizer works, insurance companies, and manufacturers, and will have agency contracts with the following sugar plantations.

	Tons of Sugar Produced in 1917
Oahu Sugar Co., Ltd.	37,211
Pioneer Mill Co., Ltd.	33,279
Lihue Plantation Co., Ltd.	20,174
Kekaha Sugar Co., Ltd.	18,354
Maui Sugar Co., Ltd.	13,509
Koloa Sugar Co., The	9,206
Grove Farm Plantation	3,836
Waimea Sugar Mill Co., The	1,965
Kipahulu Sugar Co.	1,510

Total 139,041 Tons
also with the Pacific Guano & Fertilizer Co., Ltd.

General Merchandise Business

The American Factors, Limited, will continue the general merchandise business which has been conducted so successfully by its predecessor for many years, with branch establishments at Hilo and Kailua, Hawaii. The entire business of the big retail house heretofore conducted as "B. F. Ehlers & Company," of Honolulu, will be continued by the American Factors, Limited under the name of "The Liberty House." The several departments have contributed materially to the earnings of the business in the past.

Mainland Branches:

The corporation will continue the San Francisco and New York branches for convenience in the general conduct of its business. These branches also contribute to the earnings.

Assets and Liabilities:

As indicative of the financial status of the business, a condensed statement of the balance sheet of H. Hackfeld & Company, Limited, as of December 31, 1917, follows, certified to by the Audit Company of Hawaii, Ltd., as being in accordance with the accounts of H. Hackfeld & Company, Limited, as of that date:

ASSETS.

Cash in Bank and on Hand	\$ 1,410,873.69
Bonds and Stocks	5,235,373.97
Real Estate and Property Investments, etc.	1,612,400.58
Merchandise Inventories	1,232,488.52
Loans Receivable	722,616.42
Notes Receivable	146,040.77
Agency and Personal Accounts Receivable and Trade Debtors	2,121,716.05
Other Assets	28,049.99
	\$12,509,559.99

LIABILITIES.

Capital Stock:		
Preferred	\$ 300,000.00	
Common	3,700,000.00	\$ 4,000,000.00
Undivided Profits and Reserves	3,924,993.78	
Agency and Personal Accounts and Trade Creditors	4,527,666.51	
Sundry Credit Balances	56,899.70	
		\$12,509,559.99

Statement of Earnings and Dividends:

The following is a summarized statement of the earnings of H. Hackfeld & Co., Ltd., for the past eight years:

For the Year ended Dec. 31	Net Earnings	Dividends Paid.
1910	\$ 718,063.68	\$511,000.00
1911	792,819.65	585,000.00
1912	861,893.96	548,000.00
1913	519,104.68	215,000.00
1914	590,978.89	326,000.00
1915	840,305.92	474,000.00
1916	1,491,779.56	770,000.00
1917	1,661,624.22	955,000.00

Average net earnings, eight years \$934,945.00
Average annual dividends paid eight years 548,000.00

SUBSCRIPTIONS ARE NOW INVITED

SAMPLE.

FORM OF OATH FOR INDIVIDUALS.

United States of America, } SS.
Territory of Hawaii, }

I,, do solemnly swear that

I am a citizen
(natural born or naturalized)

of the United States of America; that I will support and defend the Constitution and laws of the United States against all enemies, foreign and domestic; that I will bear full and true faith, allegiance and loyalty to the Government of the United States paramount to every other nation or country; and do hereby particularly disclaim all connection with and declare utter repudiation of the Empire of Germany and all of its Allies, and the German Emperor, and all other enemy nations, powers and rulers, and all enemy activities, influences and propaganda, within and without the United States; and do further denounce and condemn all supporters, adherents and sympathizers of or with Germany and its Allies; that I take this oath freely, absolutely, comprehensively, in full accord with the spirit hereof, and without any qualification, mental reservation or purpose of evasion whatsoever.

Subscribed and sworn to before me this

..... day of August, 1918.

Notary Public,

(N.B.—This oath must be signed and sworn to before a notary public.) (Form of oath for individuals and corporations may be obtained at the office of the Trent Trust Co., Ltd.)

Subscriptions from persons, firms and corporations for the stock trust certificates representing shares of American Factors, Limited, subject to the trust agreement, are now invited upon the following terms and conditions:

- (1) Subscription price, \$150 per share.
- (2) Subscriptions will be received beginning August 5th, and will close at 5 p. m. on August 20th, 1918, at the office of the Trent Trust Company, Limited, Honolulu, Hawaii.
- (3) Subscriptions will be received for any number of shares from 1 up to 2500. A deposit of 20 per cent of the amount subscribed may be required before allotment.
- (4) Subscriptions will be payable on allotment, but in any case on or before August 30, 1918. (Arrangements may be made for payment at the Chase National Bank in New York, and the Mercantile National Bank in San Francisco.
- (5) Any Subscriber may offer part payment in United States Liberty Bonds to a limited amount, at par, with accrued interest to date of allotment, provided he shall have purchased the same directly from the Government prior to August 5, 1918; and if such offer of bonds is not accepted, he will be so notified prior to allotment, and may then elect whether to pay cash in lieu of any bonds not accepted or reduce or withdraw his subscription.
- (6) Applicants must be loyal citizens of the United States and will be required to subscribe to an oath of allegiance.
- (7) No person, firm or corporation will be permitted to acquire or hold trust certificates representing more than 2500 shares of stock of the American Factors, Limited, except by unanimous consent of the Trustees.
- (8) The right is reserved to the Alien Property Custodian to reject any or all subscriptions or to allot such proportion of the amount of subscriptions as in his judgment shall seem advisable.

Subscriptions will be recorded daily as received, and when closed will be tabulated and submitted to the Alien Property Custodian for his approval, modification or rejection.

The services of the Trent Trust Company will be rendered without charge of any commission or bonus, and no commissions or bonuses will be allowed to others.

All statements and statistics are derived from authentic sources, or those which we regard as reliable. We do not guarantee, but believe them to be correct.

SAMPLE.

FORM OF SUBSCRIPTION FOR TRUST CERTIFICATES FOR SHARES OF AMERICAN FACTORS, LIMITED.

TRENT TRUST COMPANY, LIMITED,
Honolulu, T. H.

I hereby subscribe for and offer to purchase stock trust certificates representing and entitling me to receive shares of the capital stock of AMERICAN FACTORS, LIMITED, a Hawaiian corporation, or any less number of shares that may be allotted to me, under the terms of the trust agreement between H. Hackfeld & Company, Limited, of the first part, and George Sherman, R. A. Cooke, F. C. Atherton, C. R. Hemenway, Richard H. Trent, A. W. T. Bottomley and G. P. Wilcox, as Trustees, of the second part (authorized by resolution of the stockholders of H. Hackfeld & Company, Limited, on July 19, 1918), at the price of one hundred and fifty dollars (\$150) for each share represented, which I agree to pay on allotment, but in any case on or before August 30, 1918, and agree to be bound by all the terms and conditions of said trust agreement to the same extent as though the same were actually signed by me.

As part payment I offer United States Liberty Bonds, at par, amounting to \$.....; the above subscription being made upon the understanding that if such bonds are not accepted I will be so notified prior to allotment and may then elect whether to pay cash in lieu of any bonds not accepted or reduce or withdraw this subscription.

It is understood that any subscription may be rejected in whole or in part.

Respectfully submitted,

My address is:

(Subscription forms for individuals and corporations may be obtained at the office of the Trent Trust Co., Ltd.)

Trent Trust Company, Ltd.

IN HONOLULU

Subscription blanks obtainable at the office of the above or from any bank, trust company, or member of the Honolulu Stock & Bond Exchange.

ON THE OTHER ISLANDS

From any bank or trust company.